



1ST QUARTER  
REPORT | 2023



# COMPANY INFORMATION

## DIRECTORS

Mr. Waqar Ahmed Malik  
**Chairman**

Mr. Arif-ur-Rehman  
**Chief Executive Officer**

Mr. Sarfaraz Ahmed Rehman

Dr. Nadeem Inayat

Mr. Qamar Haris Manzoor

Syed Bakhtiyar Kazmi

Ms. Pouruchisty Sidhwa

Ms. Saira Nasir

Mr. Bahauddin Khan

## COMPANY SECRETARY

Brig. Khurram Shahzada, SI(M), (Retd)

## CHIEF FINANCIAL OFFICER

Mr. Muhammad Javed Akhtar

## REGISTERED OFFICE

FFBL Tower, C1 / C2, Sector B, Jinnah Boulevard,  
Phase II, DHA Islamabad.

Tel: +92 51 8763325, Fax: +92 51 8763304-05

E-mail: secretary@ffbl.com

## PLANTSITE

Plot No. EZ/II/P-1 Eastern Zone, Port Qasim, Karachi 75020.

Tel: +92 21 34724500-29, Fax : +92 21 34750704

Email: information@ffbl.com

## WEB PRESENCE

www.ffbl.com

## BANKERS

Habib Bank Limited

MCB Bank Limited

United Bank Limited

National Bank of Pakistan

Allied Bank Limited

Askari Bank Limited

Faysal Bank Limited

Standard Chartered Bank (Pakistan) Limited

Habib Metropolitan Bank Limited

The First Micro Finance Bank Limited

Soneri Bank Limited

Summit Bank Limited

JS Bank Limited

Samba Bank Limited

Zarai Taraqati Bank Limited

Industrial & Commercial Bank of China

The Bank of Khyber

Al-Baraka Bank (Pakistan) Limited

Dubai Islamic Bank Pakistan Limited

Bank Islami Pakistan Limited

Meezan Bank Limited

MCB Islamic Bank Limited

Bank Al-Falah Limited

Bank Al-Habib Limited

Silk Bank Limited

The Bank of Punjab

## LEGAL ADVISORS

Orr Dignam & Co,  
Advocates, Marina Heights,  
2nd floor, 109 East, Jinnah Avenue,  
Blue Area, Islamabad.  
Tel: (051) 2348645-9

## AUDITORS

EY Ford Rhodes,  
Eagle Plaza, 75 West,  
Fazal-e-Haq Road,  
Blue Area, Islamabad.

## SHARES REGISTRAR

Corplink (Pvt) Limited,  
Wings Arcade, 1-K,  
Commercial, Model Town, Lahore.  
Tel: (042) 35839182, 35916719  
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## DIRECTORS' REVIEW

FOR THE QUARTER ENDED 31 MARCH 2023

We are pleased to present the operational and financial performance of the Company for the quarter ended on 31 March 2023.

The Company faced adverse financial effects during the first quarter of 2023 due to exogenous shocks such as devaluation of Rupee, increase in interest rate, high inflation, and continuation of 5%-18% GST on locally produced DAP, whereas GST was exempted on imported DAP, thus no level playing field.

The Rupee depreciated from PKR 226/ USD on 1st January 2023 to PKR 284/ USD as at 31 March 2023, which resulted in an exchange loss of PKR 4.6 Billion in this quarter as compared to PKR 0.6 Billion in the same quarter of last year (SQLY), due to settlement of over-due and due foreign exchange liabilities emanating from import of basic raw material, i.e. phosphoric acid. Over-due payments were pending since July 2022 due to scarcity of foreign exchange in the banking system.

SBP policy rate increased to 20% at 31 March 2023 as compared to 9.75% on 31 March 2022. The Company was already carrying higher DAP inventory because of demand disruption last year, consequent to the massive floods and war in Ukraine. This has resulted in finance cost of PKR 2.5 Billion during the quarter as compared to PKR 0.7 Billion in SQLY.

Inflation stood at 35% as on 31 March 2023 compared to 11% on 31 March 2022, which significantly increased the cost of production. Additionally, the GOP's discriminatory GST policy continued to favour DAP importers over the local producer, which resulted in additional cost of PKR 0.7 Billion during the quarter.

On operational basis the business did well by selling 127 KMt DAP during this quarter as compared to 114 KMt during SQLY, hence significantly reducing the inventory that was carried over from 2022. Though margins remained under pressure, through prudent financial management, the Company achieved an operating profit of PKR 1.3 Billion as against PKR 3.3 Billion during SQLY. However, due to the exogenous shocks mentioned above, the Company reported a loss after tax of PKR 5.4 Billion as compared to a profit after tax of PKR 1.6 Billion in SQLY.

### PLANT OPERATIONS

FFBL did not receive gas from SSGC for 36 days on account of winter load management during Q1 2023, whereas gas was available on a continuous basis during SQLY. The DAP plant, was brought back to normal operations in March of this year, after 33 days of additional downtime on account of inventory management. During the quarter under review, gas curtailment was 51% of allocation, as against 9% during SQLY.

Therefore, DAP production for the quarter was 52 KT representing 77% decrease from SQLY's production of 222 KT, whereas Urea production for the quarter was 89 KT representing 26% decrease from SQLY's production of 121 KT.

At the close of the quarter under review, we successfully achieved 24.4 Million safe-man-hours in line with our commitment towards health and safety of our people.

### MARKET PERFORMANCE

Domestic DAP market is estimated at 236 KT representing a slight decline of 3% as compared to 244 KT in SQLY. FFBL's DAP sales volume increased by 11% during the period under review. As a result, FFBL's market share increased from 47% in Q1 2022 (SQLY) to 54% in Q1 2023.

Domestic Urea market is estimated at 1,625 KT which is similar to SQLY. FFBL sold as much as it produced, i.e. 88 KT, as compared to 117 KT in SQLY, representing a 25% decline and market share of 5% (SQLY: 7%).

### FINANCIAL PERFORMANCE

Description	Q1- 2023	Q1-2022	PKR Million % change
Sales Revenue	31,523	24,784	27%
Gross Profit	2,245	5,389	(58%)
Finance Cost	2,488	706	252%
Exchange Loss	4,620	566	716%
(Loss) / profit after tax	(5,429)	1,627	(434%)

Despite achieving considerable increase in sales revenue by 27%, gross profit is adversely impacted due to input sales tax becoming cost of production, extended plant shut down and turnaround costs. Exchange loss of PKR 4.6 Billion and finance cost of PKR 2.5 Billion have the most significant impact in turning the bottom line from green to red.

On a consolidated basis, the Group has reported a loss after tax of PKR 4.6 Billion as compared to a profit after tax of PKR 3.2 Billion in SQLY, mainly due to exchange loss of PKR 4.9 Billion (SQLY: PKR 0.6 Billion), finance cost of PKR 3.4 Billion (SQLY: PKR 1.4 Billion), and GST of PKR 0.7 Billion on local produce of DAP by FFBL.

Fauji Foods Limited (FFL) has recorded more than doubled revenue, a whopping 116% growth and more than quadrupled gross profit, a massive 332% increase, thereby doubling the GP margin to 12.5% as compared to SQLY.

FFL achieved operating profit of PKR 127 Million as compared to operating loss of PKR 278 Million in SQLY, consequently reducing loss after tax by 66%. FFL's business operation and margins are expected to improve further as a result of improved portfolio mix and better reach to the customers.

As a part of its turnaround strategy, FFL has successfully completed its financial restructuring and paid off its loans of PKR 8 Billion consequent to other than right equity injection by Fauji Group amounting to PKR 9.36 Billion during the quarter.

FFBL Power Company Limited operations were safe, consistently efficient and profitable. Fauji Meat Limited is undergoing optimization of its operations and it achieved 80% reduction in net loss in comparison to SQLY.

## OUTLOOK

As compared with last year, Pakistan's farm economic outlook for 2023 is positive, with the agriculture sector expected to continue its growth trajectory. DAP market is expected to recover as international DAP prices are settling down. However, the sector may face some challenges, such as harsh weather conditions, economic and political instability and market fluctuations.

During these economic challenges and external adversities, GoP should ensure a healthy and fair business environment. We expect positive policy interventions from the Government for the Country's only DAP producer, which has been at the forefront of ensuring National Food Security, reduces reliance on volatile international market, protects valued foreign exchange and comes to rescue in times of short supplies.

FFBL has introduced a 25 KG packaging variant of Sona DAP for convenience of farmers, keeping in view the current inflationary pressure and to promote balanced use of fertilizer.

We are in coordination with the Government for resolution of sales tax discrimination with FFBL to ensure a level playing field for local DAP producer and also for consistent gas supply to ensure reliable production and availability of fertilizer in the Country.

We always aspire to assist farming community in improving farm productivity in Pakistan. In this respect, we have taken a step forward, and at a group level, have signed an MOU with OCP group and Mohammed-VI Polytechnic University in Morocco. The MOU is aimed at identifying the specific agronomic needs of Pakistani soils, evaluating and developing customized fertilizers, and optimizing the resources used in the fertilization process. This will enhance fertilizer use efficiency and crop productivity.

Together, we shall strive to achieve sustainable food security for our communities.

**For and on behalf of the Board**



**Arif-ur-Rehman**  
Chief Executive Officer



**Waqar Ahmed Malik**  
Chairman

Islamabad

26 April 2023

سیلز ریونیو میں 27 فیصد کا خاطر خواہ اضافہ حاصل کرنے کے باوجود، ان پٹ سیلز ٹیکس کے پیداواری لاگت کا حصہ بننے، پلانٹ کی بندش میں توسیع اور ٹرن اراؤنڈ کی لاگت کی وجہ سے مجموعی منافع پر منفی اثر پڑا۔ 4.6 ارب روپے کے تبادلہ نقصان اور 2.5 ارب روپے کی مالیاتی لاگت کا نفع کو نقصان میں بدلنے میں سب سے اہم کردار رہا۔

زیرجائزہ سے ماہی میں گروپ کو مجموعی طور پر گزشتہ سال کی اسی سے ماہی کے 3.2 ارب روپے کے بعد از ٹیکس منافع کے مقابلے میں 4.6 ارب روپے کا بعد از ٹیکس نقصان ہوا۔ اس نقصان کی بنیادی وجہ 4.9 ارب روپے (گزشتہ سال کی اسی سے ماہی میں 0.6 ارب روپے) کے تبادلہ نقصان، 3.4 ارب روپے کی مالیاتی لاگت (گزشتہ سال کی اسی سے ماہی میں 1.4 ارب روپے) اور 0.7 ارب روپے کے FFBL کے مقامی طور پر تیار کردہ DAP پرسیلز ٹیکس کی وجہ سے ہے۔

Fauji Foods Limited (FFL) نے دگنی سے زیادہ آمدنی، 16 فیصد کی زبردست نمو اور مجموعی منافع میں چارگنا سے زیادہ، 332 فیصد کی زبردست اضافہ ریکارڈ کیا ہے، اس طرح گزشتہ سال کی اسی سے ماہی کے مقابلے میں مجموعی منافع مارجن کو دگنا کر کے 2.5 فیصد کر دیا ہے۔

FFL نے گزشتہ سال کی اسی سے ماہی میں 278 ارب روپے کے آپریٹنگ نقصان کے مقابلے میں 127 ارب روپے کا آپریٹنگ منافع حاصل کیا، نتیجتاً بعد از ٹیکس نقصان میں 66 فیصد کمی ہوئی۔ بہتر پورٹ فولیو مکس اور صارفین تک بہتر رسائی کے نتیجے میں FFL کے کاروباری آپریشن اور مارجن میں مزید بہتری کی توقع ہے۔

اپنی تبدیلی کی حکمت عملی کے طور پر، FFL نے کامیابی کے ساتھ اپنی مالی تنظیم نو مکمل کر لی ہے اور سے ماہی کے دوران فوجی گروپ کی طرف سے علاوہ از این راتھ ایکویٹی 9.36 ارب روپے کی وصولی کے ذریعے 8 ارب روپے کے قرضوں کی ادائیگی کر دی ہے۔

Fauji Meat Limited (FML) کے آپریٹنگ محفوظ، مستقل طور پر موثر اور منافع بخش تھے۔ FFL نے گزشتہ سال کی اسی سے ماہی کے مقابلے میں خالص نقصان میں 80 فیصد کمی حاصل کی ہے۔

#### مستقبل پر نظر

گزشتہ سال کے مقابلے میں، 2023 کے لیے پاکستان کا فارم اکنامکس اوٹ لک مثبت ہے، جس میں زرعی شعبے کی ترقی کی رفتار کو جاری رکھنے کی توقع ہے۔ بین الاقوامی DAP کی قیمتوں میں کمی کے ساتھ DAP کی مارکیٹ کی بحالی کی توقع ہے۔ تاہم، اس شعبے کو کچھ چیلنجز کا سامنا کرنا پڑ سکتا ہے، جیسے کہ سخت موسمی حالات، معاشی اور سیاسی عدم استحکام اور مارکیٹ میں اتار چڑھاؤ۔

ان اقتصادی چیلنجز اور بیرونی مشکلات کے دوران، حکومت کو ایک صحت مند اور منصفانہ کاروباری ماحول کو یقینی بنانا چاہیے۔ ہم حکومت سے ملک کے واحد DAP پروڈیوسر کے لیے مثبت پالیسی کی توقع کرتے ہیں، جو کہ قومی غذائی تحفظ کو یقینی بنانے، غیر مستحکم بین الاقوامی منڈی پر انحصار کم کرنے، قیمتی زرمبادلہ کی حفاظت اور رسد کی کمی کو پورا کرنے میں سب سے آگے رہا ہے۔

FFBL نے کسانوں کی سہولت کے لیے، موجودہ مہنگائی کے دباؤ کو مدنظر رکھتے ہوئے اور کھاد کے متوازن استعمال کو فروغ دینے کے لیے Sonar DAP کی 25 کلوگرام کی پیکنگ متعارف کروائی ہے۔

FFBL کے ساتھ سیلز ٹیکس کی امتیازی سلوک کے حل کے لیے ہماری حکومت کے ساتھ بات چیت چل رہی ہے تاکہ مقامی DAP پروڈیوسر کے لیے براہری کی سطح کو یقینی بنایا جا سکے اور ملک میں قابل اعتماد پیداوار اور کھاد کی دستیابی کو یقینی بنانے کے لیے گیس کی مسلسل فراہمی کو یقینی بنایا جا سکے۔

ہم ہمیشہ پاکستان میں کھیتی باڑی کی پیداواری صلاحیت کو بہتر بنانے میں کسان برادری کی مدد کرنے کی خواہش رکھتے ہیں۔ اس سلسلے میں، ہم نے ایک قدم آگے بڑھایا ہے، اور گروپ کے سطح پر، OCP گروپ اور مراکش میں محمد-VI پولی ٹیکنیک یونیورسٹی کے ساتھ ایک MOU پر دستخط کیے ہیں۔ MOU کا مقصد پاکستانی سرزمین کی مخصوص زرعی ضروریات کی نشاندہی کرنا، کھادوں کا جائزہ لینا اور تیار کرنا، اور فرٹیلائزیشن کے عمل میں استعمال ہونے والے وسائل کو بہتر بنانا ہے۔ اس سے کھاد کے استعمال کی کارکردگی اور فصل کی پیداواری صلاحیت میں اضافہ ہوگا۔

ہم اپنی کمیونٹی کے لیے پائیدار غذائی تحفظ کے حصول کی مل کر کوشش کریں گے

منجانب بورڈ



وقار احمد ملک

چئیرمین



عارف الرحمن

چیف ایگزیکٹو آفیسر

اسلام آباد  
26 اپریل 2023

بمیں 31 مارچ 2023 کو ختم ہونے والی سہ ماہی کے لیے کمپنی کی آپریشنل اور مالیاتی کارکردگی پیش کرتے ہوئے خوشی ہو رہی ہے۔

کمپنی کو 2023 کی پہلی سہ ماہی کے دوران روپے کی قدر میں کمی، شرح سود میں اضافہ، بلند افراط زر، اور مقامی طور پر تیار کردہ DAP پر 5 فیصد سے 18 فیصد GST جاری رہنے جیسے عوامل کی وجہ سے منفی مالی اثرات کا سامنا کرنا پڑا، جب کہ درآمدی DAP، GST سے مستثنیٰ تھا۔ لہذا مقابلے کی کوئی سطح ہی نہیں بنتی۔

یکم جنوری 2023 کو روپے کی قدر 226 روپے فی امریکی ڈالر جو کہ 31 مارچ 2023 تک 284 روپے فی امریکی ڈالر ہو گئی، جس کے نتیجے میں اس سہ ماہی میں 4.6 ارب روپے کا تبادلہ کا نقصان ہوا جو گزشتہ سال کی اسی سہ ماہی میں 0.6 ارب روپے تھا جو کہ بنیادی خام مال، یعنی فاسفورک ایسڈ کی درآمد سے پیدا ہونے والے زائد المعیاد اور واجب الادا غیر ملکی زرمبادلہ واجبات کے تصفیہ کی وجہ سے ہوا۔ بینکنگ سسٹم میں زرمبادلہ کی کمی کی وجہ سے جولائی 2022 سے زائد ادائیگیاں زیر التواء تھیں۔

31 مارچ 2022 کے 9.75 فیصد کے مقابلے میں 31 مارچ 2023 کو SBP کی پالیسی ریٹ بڑھ کر 20 فیصد ہو گئی۔ کمپنی پہلے ہی بڑے پیمانے پر سٹیل اور یوکرین میں جنگ کی وجہ سے پچھلے سال ڈی اے پی کی مانگ میں کمی کی وجہ سے زیادہ انونٹری رکھے ہوئے تھی۔ اس کے نتیجے میں گزشتہ سال کی اسی سہ ماہی 0.7 ارب روپے کے مقابلے میں سہ ماہی کے دوران 2.5 ارب روپے کی مالیاتی لاگت آئی۔

31 مارچ 2022 کے 11 فیصد کے مقابلے میں 31 مارچ 2023 کو افراط زر 35 فیصد رہی، جس سے پیداواری لاگت میں نمایاں اضافہ ہوا۔ مزید برآں، حکومت کی امتیازی GST پالیسی مقامی پروڈیوسر پر DAP درآمد کنندگان کی حمایت کرتی رہی، جس کے نتیجے میں سہ ماہی کے دوران 0.7 ارب روپے کی اضافی لاگت آئی۔

آپریشنل بنیادوں پر کاروبار نے گزشتہ سال کی اسی سہ ماہی کے دوران 114 Kt کے مقابلے میں DAP فروخت کر کے اچھی کارکردگی کا مظاہرہ کیا، اس وجہ سے 2022 سے پڑی ہوئی انونٹری میں نمایاں کمی ہوئی۔ گزشتہ سال کی اسی سہ ماہی کے دوران 3.3 ارب روپے کے مقابلے میں 1.3 ارب روپے کا آپریشنل منافع ہوا۔ تاہم، مذکورہ بالا خارجی عوامل کی وجہ سے، کمپنی کو گزشتہ سال کی اسی سہ ماہی میں 1.6 ارب روپے کے بعد از ٹیکس منافع کے مقابلے میں 5.4 ارب کے بعد از ٹیکس کا نقصان ہوا۔

#### پلانٹ آپریشنز

FFBL کو 2023 کی پہلی سہ ماہی کے دوران موسم سرما کے گیس لوڈ مینجمنٹ کی وجہ سے SSGC سے 36 دنوں تک گیس حاصل نہیں ہوئی، جبکہ گزشتہ سال کی اسی سہ ماہی کے دوران گیس مسلسل دستیاب تھی۔ DAP پلانٹ، جسے مارکیٹ کی طلب میں بڑے پیمانے پر کمی کو سنبھالنے کے لیے بند کر دیا گیا تھا، انونٹری مینجمنٹ کی وجہ سے 33 دن کے اضافی ڈاؤن ٹائم کے بعد، اس سال مارچ میں معمول کے آپریشن میں واپس لایا گیا۔ زیر جائزہ سہ ماہی کے دوران، گیس کی کٹوتی 51 فیصد تھی، جبکہ گزشتہ سال کی اسی سہ ماہی کے دوران 9 فیصد تھی۔

اس سہ ماہی کے لیے DAP کی پیداوار 52 Kt تھی جو گزشتہ سال کی اسی سہ ماہی کی 222 Kt کی پیداوار سے 77 فیصد کم ہے، جب کہ سہ ماہی کے لیے یوریا کی پیداوار 89 Kt تھی جو گزشتہ سال کی اسی سہ ماہی کی 121 Kt کی پیداوار سے 26 فیصد کم ہے۔

زیر جائزہ سہ ماہی کے اختتام پر، ہم نے اپنے لوگوں کی صحت اور حفاظت کے حوالے سے اپنے عزم کے مطابق 24.4 ملین سیف میں آرزو کامیابی سے حاصل کر لیے۔

#### مارکیٹ کی کارکردگی

ملکی DAP مارکیٹ کا تخمینہ 236 Kt ہے جو گزشتہ سال کی اسی سہ ماہی میں 244 Kt کے مقابلے میں 3 فیصد کی معمولی کمی کی نمائندگی کرتا ہے۔ زیر جائزہ مدت کے دوران FFBL کے DAP فروخت کے حجم میں 11 فیصد اضافہ ہوا۔ نتیجاً FFBL کا مارکیٹ شیئر 2022 کی پہلی سہ ماہی کے مقابلے میں 47 فیصد سے بڑھ کر 2023 میں 54 فیصد ہو گیا۔

ملکی یوریا مارکیٹ کا تخمینہ 1,625 Kt رہا جو گزشتہ سال کی اسی سہ ماہی جیسا ہے۔ FFBL نے اتنا ہی فروخت کیا جتنا اس نے پیدا کیا، یعنی گزشتہ سال کی اسی سہ ماہی میں 117 Kt کے مقابلے میں 88 Kt جو کہ 25 فیصد کم رہا اور مارکیٹ شیئر 5 فیصد رہا جو کہ گزشتہ سال کی اسی سہ ماہی میں 7 فیصد تھا۔

#### روپے ملین میں

#### مالیاتی کارکردگی

تفصیل	Q1- 2023	Q1- 2022	تبدیلی (فیصد میں)
فروخت کی آمدن	31,523	24,784	27 فیصد
کل منافع	2,245	5,389	(58) فیصد
مالیاتی لاگت	2,488	706	252 فیصد
تبادلہ نقصان	4,620	566	716 فیصد
بعد از ٹیکس (نقصان) / منافع	(5,429)	1,627	(434) فیصد

# CONDENSED INTERIM STATEMENT OF FINANCIAL POSITION

AS AT MARCH 31, 2023

		March 31, 2023 (Un - audited)	December 31, 2022 (Audited)
	Note	(Rupees '000)	
<b><u>EQUITY AND LIABILITIES</u></b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	4	12,912,529	12,912,529
<b>Capital reserve</b>			
Share premium		1,632,729	1,632,729
<b>Revenue reserve</b>			
Accumulated profit		2,747,894	8,177,107
		<b>17,293,152</b>	<b>22,722,365</b>
<b>NON CURRENT LIABILITIES</b>			
Long term loans	5	17,166,666	18,458,334
Deferred liabilities	6	3,169,460	4,491,931
		<b>20,336,126</b>	<b>22,950,265</b>
<b>CURRENT LIABILITIES</b>			
Trade and other payables	7	42,561,539	67,412,134
Advances from customers		1,004,504	769,261
Unpaid dividend		10,954	10,954
Unclaimed dividend		114,962	115,614
Provision for income tax		673,497	1,150,929
Accrued interest		1,549,408	1,242,847
Short term borrowings		29,165,458	28,213,376
Current portion of long term loans	5	5,481,250	5,275,000
		<b>80,561,572</b>	<b>104,190,115</b>
		<b>118,190,850</b>	<b>149,862,745</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8		

The annexed notes, from 1 to 21, form an integral part of these condensed interim financial statements.



	March 31, 2023 (Un - audited)	December 31, 2022 (Audited)
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Note (Rupees '000)

## ASSETS

### NON CURRENT ASSETS

Property, plant and equipment	9	9,899,565	9,953,442
Investment property		270,242	270,242
Long term investments	10	29,171,242	29,171,242
Long term advances		129,834	37,683
Long term deposits		78,643	78,643
		<b>39,549,526</b>	<b>39,511,252</b>

### CURRENT ASSETS

Stores and spares		1,896,686	1,918,024
Stock in trade	11	25,837,056	39,236,011
Trade debts		5,072,328	11,828,171
Advances		1,043,052	431,176
Trade deposits and short term prepayments		116,790	181,445
Interest accrued		32,715	43,069
Other receivables	12	7,308,176	3,430,097
Sales tax refundable - net		16,797,447	16,814,044
Short term investments	13	4,380,621	13,764,259
Cash and bank balances		16,156,453	22,705,197
		<b>78,641,324</b>	<b>110,351,493</b>
		<b>118,190,850</b>	<b>149,862,745</b>



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



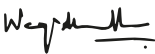
CHIEF FINANCIAL OFFICER

## CONDENSED INTERIM STATEMENT OF PROFIT OR LOSS (UN-AUDITED)

FOR THE PERIOD ENDED MARCH 31, 2023

	Note	Quarter ended March 31,	
		2023	2022
		(Rupees '000)	
Sales - net	14	31,522,701	24,783,967
Cost of sales	15	(29,278,278)	(19,394,673)
<b>Gross profit</b>		<b>2,244,423</b>	5,389,294
Selling and distribution expenses		(686,542)	(1,686,818)
Administrative expenses		(273,722)	(355,105)
		<b>1,284,159</b>	3,347,371
Finance costs		(2,487,988)	(705,566)
Exchange loss		(4,619,834)	(565,524)
Other expenses		(1,316)	(383,535)
Other income	16	898,275	1,115,800
		<b>(4,926,704)</b>	2,808,546
Unwinding cost on GIDC payable	6	(162,632)	(257,942)
<b>(Loss) / Profit before taxation</b>		<b>(5,089,336)</b>	2,550,604
Taxation	17	(339,877)	(923,741)
<b>(Loss) / Profit after taxation</b>		<b>(5,429,213)</b>	1,626,863
<b>(Loss) / Earnings per share - basic and diluted (Rupees)</b>		<b>(4.20)</b>	1.26

The annexed notes, from 1 to 21, form an integral part of these condensed interim financial statements.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



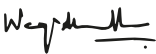
CHIEF FINANCIAL OFFICER

# CONDENSED INTERIM STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)

FOR THE PERIOD ENDED MARCH 31, 2023

	Quarter ended March 31,	
	2023	2022
	(Rupees '000)	
<b>(Loss) / Profit after taxation</b>	<b>(5,429,213)</b>	1,626,863
<b>Other comprehensive income</b>		
<i>Items that will not be reclassified subsequently to profit or loss</i>		
Remeasurement of post employment benefits obligation	-	-
<b>Total comprehensive (loss) / income</b>	<b>(5,429,213)</b>	1,626,863

The annexed notes, from 1 to 21, form an integral part of these condensed interim financial statements.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

## CONDENSED INTERIM STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)

FOR THE PERIOD ENDED MARCH 31, 2023

	Share capital	Capital reserve	Accumulated profit	Total
	(Rupees '000)			
<b>Balance as at January 01, 2022 - audited</b>	12,912,529	1,632,729	5,885,488	20,430,746
<b>Total comprehensive income</b>				
Profit for the period	-	-	1,626,863	1,626,863
Other comprehensive income for the period	-	-	-	-
Total comprehensive income for the period	-	-	1,626,863	1,626,863
<b>Balance as at March 31, 2022</b>	12,912,529	1,632,729	7,512,351	22,057,609
<b>Balance as at January 01, 2023 - audited</b>	<b>12,912,529</b>	<b>1,632,729</b>	<b>8,177,107</b>	<b>22,722,365</b>
<b>Total comprehensive income</b>				
Loss for the period	-	-	(5,429,213)	(5,429,213)
Other comprehensive income for the period	-	-	-	-
Total comprehensive loss for the period	-	-	(5,429,213)	(5,429,213)
<b>Balance as at March 31, 2023</b>	<b>12,912,529</b>	<b>1,632,729</b>	<b>2,747,894</b>	<b>17,293,152</b>

The annexed notes, from 1 to 21, form an integral part of these condensed interim financial statements.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



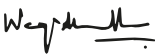
CHIEF FINANCIAL OFFICER

# CONDENSED INTERIM STATEMENT OF CASH FLOWS (UN-AUDITED)

FOR THE PERIOD ENDED MARCH 31, 2023

	Note	Quarter ended March 31,	
		2023	2022
		(Rupees '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in operations	18	(12,727,668)	(17,980,712)
Taxes paid		(914,290)	(1,642,529)
Finance costs paid		(2,178,750)	(507,753)
Compensated absences paid		(7,216)	(9,670)
Payment to Gratuity Fund		(304,231)	-
Payment to Workers' (Profit) Participation Fund		(161,543)	(131,344)
Net cash used in operating activities		(16,293,698)	(20,272,008)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditures and advances		(289,425)	(16,879)
Sale proceeds from disposal of property, plant and equipment		1,392	1,830
Investment at fair value through profit or loss - net		9,384,870	(590,976)
Long term loans		-	(801,452)
Profit received on bank balances and term deposits		782,105	820,869
Net cash generated from / (used in) investing activities		9,878,942	(586,608)
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term loans - repaid		(1,085,418)	(964,581)
Dividend paid for prior periods		(652)	(93)
Net cash used in financing activities		(1,086,070)	(964,674)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(7,500,826)</b>	<b>(21,823,290)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>991,821</b>	<b>29,442,118</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>(6,509,005)</b>	<b>7,618,828</b>
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents included in the condensed interim statement of cash flows comprise of the following condensed interim statement of financial position amounts:			
- Cash and bank balances		16,156,453	19,193,978
- Short term running finance		(22,665,458)	(11,575,150)
		(6,509,005)	7,618,828

The annexed notes, from 1 to 21, form an integral part of these condensed interim financial statements.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD ENDED MARCH 31, 2023

## 1 THE COMPANY AND ITS OPERATIONS

Fauji Fertilizer Bin Qasim Limited ("the Company") is a public limited Company incorporated in Pakistan under the Companies Ordinance, 1984 (now replaced by the Companies Act, 2017 ("the Act") with effect from May 31, 2017). The shares of the Company are quoted on Pakistan Stock Exchange. The registered office of the Company is situated at FFBL Tower, C1/C2, Sector B, Jinnah Boulevard, DHA Phase II, Islamabad, Pakistan. The principal objective of the Company is manufacturing, purchasing and marketing of fertilizers. The Company commenced its commercial production effective January 1, 2000.

## 2 BASIS OF PREPARATION

These condensed interim financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provisions of and directives issued under the Companies Act, 2017 have been followed.

The disclosures in these condensed interim financial statements do not include the information reported for complete annual financial statements and should therefore be read in conjunction with the financial statements for the year ended December 31, 2022. The comparative Statement of Financial Position is extracted from the annual financial statements, as of December 31, 2022, whereas the Statement of Profit or Loss, the Statement of Comprehensive Income, the Statement of Cash Flows and the Statement of Changes in Equity are extracted from the un-audited condensed interim financial statements, for the period ended March 31, 2022.

These condensed interim financial statements are unaudited and are being submitted to the members, as required under Section 237 of the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations, 2019. The condensed interim consolidated financial statements of the Company are prepared separately.

In these condensed interim financial statements, the investments in subsidiaries and associates are accounted for on the basis of direct equity interest at cost, rather than on the basis of reported results.

## 3 ACCOUNTING POLICIES

The accounting policies and methods of computation adopted for the preparation of these condensed interim financial statements are similar to those applied in the preparation of the financial statements for the preceding year, ended December 31, 2022.

## 4 SHARE CAPITAL

### 4.1 The status of significant shareholdings, as at March 31, 2023, are given below:

	No. of Shares	Percentage (%)
Fauji Fertilizer Company Limited	644,018,629	49.88
Fauji Foundation	236,161,393	18.29

	March 31, 2023 (Un - audited)	December 31, 2022 (Audited)
Note	(Rupees '000)	

## 5 LONG TERM LOANS

Loans from banking companies-secured	22,647,916	23,733,334
Less: Current portion shown under current liabilities	5,481,250	5,275,000
	17,166,666	18,458,334

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
FOR THE PERIOD ENDED MARCH 31, 2023

		March 31, 2023 (Un - audited)	December 31, 2022 (Audited)
	Note	(Rupees '000)	
<b>6</b>	<b>DEFERRED LIABILITIES</b>		
Compensated leave absences		484,512	476,770
Deferred taxation	6.1	791,693	888,672
Payable against GIDC	6.2	1,893,255	3,126,489
		<b>3,169,460</b>	<b>4,491,931</b>
<b>6.1</b>	<b>The balance of deferred tax is in respect of the following major taxable / (deductible) temporary differences:</b>		
Accelerated tax depreciation		1,555,447	1,598,758
Provision for inventory obsolescence		(95,491)	(95,491)
Provision against doubtful other receivables		(445,814)	(445,814)
Provision against allowance		(365,401)	(365,401)
Remeasurement gain on GIDC		142,952	196,620
		<b>791,693</b>	<b>888,672</b>
<b>6.2</b>	<b>Payable against GIDC</b>		
Opening balance		21,738,026	20,846,828
Unwinding cost on GIDC payable		162,632	891,198
		<b>21,900,658</b>	<b>21,738,026</b>
Current portion of GIDC	7	(20,007,403)	(18,611,537)
		<b>1,893,255</b>	<b>3,126,489</b>

On September 22, 2020, the Company obtained stay from the Honorable Sindh High Court against payment of GIDC.

		March 31, 2023 (Un - audited)	December 31, 2022 (Audited)
	Note	(Rupees '000)	
<b>7</b>	<b>TRADE AND OTHER PAYABLES</b>		
Creditors	7.1	13,874,111	38,871,541
Payable against GIDC	6.2	20,007,403	18,611,537
Accrued liabilities		7,472,815	8,273,896
Workers' (Profit) Participation Fund		-	158,866
Workers' Welfare Fund		1,109,303	1,109,303
Payable to Gratuity Fund		20,695	304,231
Security deposits		77,212	82,760
		<b>42,561,539</b>	<b>67,412,134</b>

**7.1** Creditors include payables to related parties amounting to Rs. 11,147 million (December 31, 2022: Rs. 37,475 million) against purchase of raw material, steam and power. The Company purchases raw material for use in production of fertilizer from PMP at discounted price, with a credit limit of 75 days.

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD ENDED MARCH 31, 2023

March 31, 2023 (Un - audited)	December 31, 2022 (Audited)
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(Rupees '000)

### 8 CONTINGENCIES AND COMMITMENTS

#### Contingencies

i) Guarantees issued by banks on behalf of the Company	8.1	100,224	154,123
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#### Commitments

i) Capital expenditure - contracted		193,058	286,867
ii) Letters of credit for purchase of stores, spares and raw materials		11,671,522	15,332,081

*For further commitments refer note 19.*

8.1 There has been no change in the status of contingent liabilities, other than those specified, from preceding year ended December 31, 2022

### 9 PROPERTY, PLANT AND EQUIPMENT

Opening written down value		9,953,442	10,574,734
Additions during the period / year		197,274	370,050
Cost of disposals during the period / year		(1,992)	(70,062)
Depreciation charged during the period / year		(249,786)	(982,030)
Accumulated depreciation on disposals during the period / year		627	60,750
		<b>9,899,565</b>	<b>9,953,442</b>



# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD ENDED MARCH 31, 2023

		March 31, 2023 (Un - audited)	December 31, 2022 (Audited)
		(Rupees '000)	
10	LONG TERM INVESTMENTS	Note	
	Joint venture	10.1	1,411,150
	Associated company	10.2	5,230,991
	Subsidiary companies	10.3	22,529,101
	Other long term investment	10.4	-
			29,171,242
10.1	<b>Investment in joint venture - at cost</b>		
	Pakistan Maroc Phosphore S.A, Morocco		1,411,150
10.2	<b>Investments in associate - at cost</b>		
	<b>Quoted</b>		
	Askari Bank Limited	10.5	5,230,991
10.3	<b>Investments in subsidiaries - at cost</b>		
	<b>Quoted</b>		
	Fauji Foods Limited		
	Gross value	10.6	14,055,516
	Impairment in value of investment		(1,999,000)
			12,056,516
	Accrued markup to be converted at par value		708,750
			12,056,516
	<b>Un-quoted</b>		
	Fauji Meat Limited		
	Gross value		10,916,960
	Impairment in value of investment		(6,885,000)
			4,031,960
	FFBL Power Company Limited		6,440,625
			22,529,101
10.4	<b>Investment - available for sale - unquoted</b>		
	Arabian Sea Country Club Limited (ASCLL)		
	300,000 ordinary shares of Rs.10 each		3,000
	Less: Impairment in value of investment		3,000
			-

**10.5** During the period, AKBL in its annual general meeting approved bonus shares at 15%, increasing the paid-up capital of the bank to 1,449,299,207 shares. These bonus shares shall rank pari passu in all respects with the existing ordinary shares of the bank. Accordingly, number of shares held by FFBL will be increased from 271,884,009 shares to 312,666,610 shares. Issue of bonus shares resulted in no change in percentage holding (21.57%).

**10.6** During the period, pursuant to the approval and authorization of the Board of Director's, in their meeting held on September 29, 2022, the Company acquired further shares of FFL by way of other than right offer under Section 83 (1) (b) of the Companies Act, 2017 read with regulation 5 of the Companies Regulations, 2020 (Further Issue of Shares). Accordingly, 70,874,980 shares of FFL were issued to FFBL at par against conversion of accrued markup on sub-ordinated loan of Rs. 708,750 thousands to equity, resulting in total holding of shares to 1,205,576,237 shares.

## 11 STOCK IN TRADE

This includes finished goods stock amounting to Rs. 18,528 million (December 31, 2022: Rs. 32,411 million) and raw material in transit amounting to Rs. 3,132 million (December 31, 2022: Rs. Nil).

## NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD ENDED MARCH 31, 2023

### 12 OTHER RECEIVABLES

This includes an amount of Rs. 3,764 million (December 31, 2022: Rs. 1,357 million) receivable from Fauji Fertilizer Company Limited (FFCL), a related party, on account of amounts received from customers against sales of the Company's products by FFCL under an inter-company services agreement.

March 31, 2023 (Un - audited)	December 31, 2022 (Audited)
(Rupees '000)	

### 13 SHORT TERM INVESTMENTS

**Investments at fair value through profit or loss**

Mutual Funds	4,380,621	13,764,259
	4,380,621	13,764,259
<b>Quarter ended March 31,</b>		
	2023	2022
Note	(Rupees '000)	

### 14 SALES - NET

Gross sales	31,527,010	25,287,054
Less:		
Sales tax	-	498,465
Commission	4,309	4,622
	4,309	503,087
	31,522,701	24,783,967

14.1 Commission is paid at the rate of Re. 1 per bag sold by Fauji Fertilizer Company Limited, based on an inter-company services agreement.

Quarter ended March 31,	
2023	2022
(Rupees '000)	

### 15 COST OF SALES

Raw materials consumed	8,459,563	28,296,599
Packing materials consumed	172,708	288,683
Fuel and power	4,902,523	4,128,027
Chemicals and supplies consumed	83,711	49,256
Salaries, wages and benefits	469,601	556,956
Rent, rates and taxes	13,935	12,304
Insurance	80,607	34,300
Travel and conveyance	62,952	39,896
Repairs and maintenance	788,339	177,091
Communication, establishment and other expenses	34,222	58,531
Provision for obsolete stores and spares	-	7,500
Depreciation	215,947	205,041
Opening stock - work in process	140,442	42,120
Closing stock - work in process	(29,325)	(30,666)
Cost of goods manufactured	15,395,225	33,865,638
Opening stock - finished goods	32,411,182	125,185
Closing stock - finished goods	(18,528,129)	(14,596,150)
	29,278,278	19,394,673

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
FOR THE PERIOD ENDED MARCH 31, 2023

	Note	Quarter ended March 31,	
		2023	2022
		(Rupees '000)	
<b>16</b>	<b>OTHER INCOME</b>		
	Profit on bank balances and term deposits	484,778	530,731
	Cash dividend / income on mutual funds	285,493	196,929
	Mark-up on sub-ordinated loans	-	179,248
	Income from subsidiaries	94,074	141,873
	Guarantee fee	2,712	28,809
	Scrap sale and other receipts	31,191	37,497
	Gain on disposal of property, plant and equipment	27	713
		<b>898,275</b>	<b>1,115,800</b>
<b>17</b>	<b>TAXATION - NET</b>		
	Current tax	436,858	1,030,763
	Deferred tax	(96,981)	(107,022)
		<b>339,877</b>	<b>923,741</b>
<b>18</b>	<b>CASH USED IN OPERATIONS</b>		
	(Loss) / Profit before taxation	(5,089,336)	2,550,604
	<b>Adjustment for non-cash charges and other items:</b>		
	Provision for gratuity	20,695	15,114
	Exchange loss	4,619,834	565,524
	Provision for compensated absences	14,958	4,500
	Allowance for other receivables and long term loan	-	175,805
	Provision for obsolete stores and spares	-	7,500
	Provision for Workers' (Profit) Participation Fund	-	137,876
	Provision for Workers Welfare Fund	-	69,050
	Unwinding of GIDC	6.2 162,632	257,942
	Depreciation	249,786	240,904
	Finance costs	2,487,988	705,566
	Income on bank balances, term deposits and mutual funds	(770,271)	(727,660)
	Gain on disposal of property, plant and equipment	(27)	(713)
	Mark-up on sub-ordinated loans	-	(179,248)
	Guarantee fee	(2,712)	(28,809)
	<b>Operating profit before working capital changes</b>	<b>1,693,547</b>	<b>3,793,955</b>
	<b>Changes in working capital:</b>		
	Stores and spares	21,339	(55,465)
	Stock in trade	13,398,955	(18,074,927)
	Trade debts	6,755,843	(881,525)
	Advances	(611,876)	(20,888)
	Trade deposits and short term prepayments	64,655	13,455
	Other receivables	(3,878,079)	(1,228,492)
	Sales tax refundable	16,597	(1,951,845)
	Trade and other payables	(30,423,892)	3,936,292
	Advances from customers	235,243	(3,511,272)
		<b>(14,421,215)</b>	<b>(21,774,667)</b>
	Cash used in operations	<b>(12,727,668)</b>	<b>(17,980,712)</b>

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
FOR THE PERIOD ENDED MARCH 31, 2023

**19 RELATED PARTY TRANSACTIONS**

The Company has related parties which comprise of subsidiaries, a joint venture, entities under common directorship, directors, key management personnel, shareholders and employees funds. Fauji Fertilizer Company Limited (FFCL) has a 49.88% share holding in the Company (2022: 49.88%), while Fauji Foundation (FF) holds 18.29% shares (2022: 18.29%) in the Company. Transactions with related parties and balances outstanding, other than those have been disclosed elsewhere in these condensed interim financial statements are given below. The carrying values of investments are disclosed in note 10 to these condensed interim financial statements.

	<b>Quarter ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Rupees '000)</b>	
<b>Transactions with Fauji Foundation:</b>		
Services received	22,772	20,111
Payment against services	38,108	25,363
Balance payable at period end	22,500	37,836 *
<b>Transactions with subsidiary companies:</b>		
<b>Fauji Meat Limited</b>		
Material / services provided	7,812	5,688
Balance receivable	25,156	17,344 *
Mark-up on sub-ordinated loan	-	179,248
Receipt against guarantee fee and mark-up	-	34,240
Conversion into equity investment	-	7,581,094
<b>FFBL Power Company Limited</b>		
Material / services provided	199,761	190,064
Material / services received	3,653,778	4,567,053
Balance payable	5,014,147	8,144,559 *
Balance receivable	147,623	137,402 *
Receipts against material / services	189,540	170,338
Payments against material / services	6,784,190	4,764,675
<b>Fauji Foods Limited</b>		
Material / services provided	1,570	1,511
Balance receivable	1,570	-
Mark-up receivable converted into equity investment	708,750	-
Guarantee fee	2,712	3,699
Receipt against guarantee fee	-	26,790
Guarantee fee and mark-up receivable	32,712	738,750 *

**NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)**  
FOR THE PERIOD ENDED MARCH 31, 2023

	<b>Quarter ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Rupees '000)</b>	
<b>Transactions with associates:</b>		
<b>Fauji Fertilizer Company Limited</b>		
Services and material acquired	261,869	248,296
Receipts under consignment and current account	36,159,398	18,831,861
Commission charged to the Company	4,309	4,622
<b>Askari Bank Limited</b>		
Balances at bank	7,027,335	3,397,809 *
Profit on bank balances	261,326	187,214
Long term loans	-	83,333 *
Mark-up on long term loan	-	5,355
Mark-up payable on long term loan loans	-	3,572 *
<b>Transactions with joint venture:</b>		
<b>Pakistan Maroc Phosphore S.A, Morocco</b>		
Purchase of raw materials	6,971,883	26,858,526
Expenses incurred on behalf of joint venture	-	802
Balance payable - secured	6,147,428	29,292,878 *
Balance receivable - unsecured	13,141	13,141 *
<b>Other related parties:</b>		
Contribution to Provident Fund	18,262	16,644
Payment to Workers' (Profit) Participation Fund	161,543	131,344
Balance payable - unsecured (WPPF)	-	158,866 *
Payable to Gratuity Fund	20,695	304,231 *
Meeting fee	2,800	4,900
Remuneration of key management personnel		
Short term benefits	102,409	99,927
Post employment benefits	7,607	4,886

\* These balance of accounts, appearing as comparatives, are as at December 31, 2022 (audited).

In addition to the above:

- the Company has provided sponsor support, to lenders of project financing arranged by FPCL, to fund any shortfall, to the extent FPCL is unable to fulfill its financial obligations:

- (i) up to Rs. 29,150 million (2022: Rs. 29,150 million) and all cost over runs, till technical completion date; and
- (ii) up to Rs. 8,000 million after project completion date.

- the Company has issued standby letter of credit amounting to Rs. 1,000 million in favor of the FFL under the Master Facility Agreement.

- the Company has also provided a revolving guarantee amounting to Rs. 6,067 million in favor of the FFL under the Master Facility Agreement.

# NOTES TO THE CONDENSED INTERIM FINANCIAL STATEMENTS (UN-AUDITED)

FOR THE PERIOD ENDED MARCH 31, 2023

## 20 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS

### 20.1 Financial risk factors

The Company's activities expose it to a variety of financial risks including market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

There have been no changes in the risk management policies during the period; consequently these condensed interim financial statements do not include all the financial risk management information and disclosures required in the annual financial statements.

### 20.2 Fair value estimation

The table below analyzes financial instruments carried at fair value by the valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)
- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices) (Level 2)
- Inputs for the asset or liability that are not based on observable market data (level 3)

	Level 1	Level 2	Level 3
	(Rupees' 000)		
<b>March 2023 - un-audited</b>			
<b>ASSETS</b>			
Financial assets at fair value through profit or loss			
- Short term investments	4,380,621	-	-
<b>December 2022 - audited</b>			
<b>ASSETS</b>			
Financial assets at fair value through profit or loss			
- Short term investments	13,764,259	-	-

## 21 GENERAL

21.1 Figures have been rounded off to the nearest thousand rupees.

21.2 Corresponding figures have been re-arranged / reclassified, where necessary, for more appropriate presentation of transactions and events, for purpose of comparison. Reclassification consists of Rs. 565,524 thousands presented separately as exchange loss on Profit or Loss statement in the comparative period.

21.3 These condensed interim financial statements were authorized for issue on April 26, 2023 by the Board of Directors of the Company.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

CONDENSED INTERIM  
CONSOLIDATED  
FINANCIAL STATEMENTS

# CONDENSED INTERIM CONSOLIDATED STATEMENT OF FINANCIAL POSITION


AS AT MARCH 31, 2023

		March 31, 2023 (Un - audited)	December 31, 2022 (Audited)
	Note	(Rupees '000)	
<b>EQUITY AND LIABILITIES</b>			
<b>SHARE CAPITAL AND RESERVES</b>			
Share capital	4	12,912,529	12,912,529
<b>Capital reserve</b>			
Share premium		1,632,729	1,632,729
Statutory reserve		2,944,159	2,855,162
<b>Revenue reserves</b>			
Translation reserve		5,721,865	5,317,939
Revaluation reserve on available for sale investments, net of tax		(1,561,907)	(1,179,693)
Accumulated profit		11,786,863	14,810,495
		<b>33,436,238</b>	<b>36,349,161</b>
<b>Non-Controlling Interest</b>			
		<b>8,112,393</b>	<b>7,167,343</b>
		<b>41,548,631</b>	<b>43,516,504</b>
<b>NON-CURRENT LIABILITIES</b>			
Long term loans	5	31,052,181	32,916,960
Lease liabilities		248,485	53,570
Deferred liabilities	6	7,860,960	9,039,464
		<b>39,161,626</b>	<b>42,009,994</b>
<b>CURRENT LIABILITIES AND PROVISIONS</b>			
Trade and other payables	7	40,796,976	65,254,466
Advances from customers		1,280,434	985,104
Unpaid dividend		10,954	10,954
Unclaimed dividend		115,928	116,580
Provision for income tax		-	1,150,929
Accrued interest		1,747,476	1,795,792
Short term borrowings		34,277,437	35,598,377
Current portion of long term loans	5	8,478,524	8,131,459
Current portion of lease liabilities		106,064	73,446
		<b>86,813,793</b>	<b>113,117,107</b>
		<b>167,524,050</b>	<b>198,643,605</b>
<b>CONTINGENCIES AND COMMITMENTS</b>			
	8		

The annexed notes, from 1 to 22, form an integral part of these condensed interim consolidated financial statements.



		March 31, 2023 (Un - audited)	December 31, 2022 (Audited)
	Note	(Rupees '000)	
<b>ASSETS</b>			
<b>NON-CURRENT ASSETS</b>			
Property, plant and equipment	9	46,033,132	46,114,274
Intangible assets		388,114	392,529
Long term investments	10	26,266,354	26,173,455
Investment property		270,242	270,242
Long term advances		129,834	37,683
Long term deposits		88,417	88,183
		<b>73,176,093</b>	<b>73,076,366</b>
<b>CURRENT ASSETS</b>			
Stores and spares		2,883,471	2,850,329
Stock in trade	11	29,606,663	42,462,162
Trade debts		10,918,234	16,761,585
Advances		1,551,166	1,315,715
Trade deposits and short-term prepayments		363,224	465,957
Interest accrued		715	13,065
Other receivables	12	7,204,412	3,380,439
Income tax refundable - net		827,962	1,512,665
Sales tax refundable - net		18,834,610	18,585,721
Short term investments	13	5,883,621	14,734,259
Cash and bank balances		16,273,879	23,485,342
		<b>94,347,957</b>	<b>125,567,239</b>
		<b>167,524,050</b>	<b>198,643,605</b>



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR

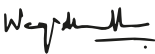


CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF PROFIT OR LOSS (UN-AUDITED)**  
FOR THE PERIOD ENDED MARCH 31, 2023

	Note	Quarter ended March 31,	
		2023	2022
		(Rupees '000)	
Sales - net	14	39,741,636	28,953,847
Cost of sales	15	(34,604,244)	(22,008,357)
<b>Gross profit</b>		<b>5,137,392</b>	<b>6,945,490</b>
Selling and distribution expenses		(1,139,598)	(2,065,471)
Administrative expenses		(576,098)	(576,145)
		<b>3,421,696</b>	<b>4,303,874</b>
Finance costs		(3,381,946)	(1,401,810)
Exchange loss		(4,859,627)	(577,672)
Unwinding of GIDC payable	6	(162,632)	(257,942)
Other operating expenses		(66,278)	(246,799)
		<b>(5,048,787)</b>	<b>1,819,651</b>
<i>Other income</i>	16		
Share of profit of associate and joint venture - net		138,634	1,877,207
Others		914,137	855,748
		<b>1,052,771</b>	<b>2,732,955</b>
<b>(Loss) / Profit before taxation</b>		<b>(3,996,016)</b>	<b>4,552,606</b>
Taxation - net	17	(638,144)	(1,351,208)
<b>(Loss) / Profit after taxation</b>		<b>(4,634,160)</b>	<b>3,201,398</b>
<b>(Loss) / Profit attributable to:</b>			
- Owners of the Holding Company		(4,854,881)	3,194,833
- Non-controlling interest		220,721	6,565
		<b>(4,634,160)</b>	<b>3,201,398</b>
<b>(Loss) / Earnings per share - basic and diluted (Rupees)</b>		<b>(3.76)</b>	<b>2.47</b>

The annexed notes, from 1 to 22, form an integral part of these condensed interim consolidated financial statements.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF COMPREHENSIVE INCOME (UN-AUDITED)**  
FOR THE PERIOD ENDED MARCH 31, 2023

	Quarter ended March 31,	
	2023	2022
	(Rupees '000)	
<b>(Loss) / Profit after taxation</b>	<b>(4,634,160)</b>	3,201,398
<b>Other comprehensive (loss) / income</b>		
Exchange difference on translating a joint venture	489,000	209,346
Effect of translation - share of associate	(85,074)	14,321
	403,926	223,667
Revaluation reserve on available for sale investments	(449,663)	(670,620)
Related deferred tax	67,449	100,593
	(382,214)	(570,027)
<i>Items that will not be reclassified to profit or loss</i>		
Remeasurement of post employment benefits obligation	-	-
<b>Total comprehensive (loss) / income</b>	<b>(4,612,448)</b>	2,855,038
<b>(Loss) / Profit attributable to:</b>		
- Owners of the Holding Company	(4,833,169)	2,848,473
- Non controlling interest	220,721	6,565
	(4,612,448)	2,855,038

The annexed notes, from 1 to 22, form an integral part of these condensed interim consolidated financial statements.



CHAIRMAN



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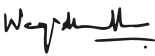


CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CHANGES IN EQUITY (UN-AUDITED)**  
FOR THE PERIOD ENDED MARCH 31, 2023

	Share capital	Advance against issue of shares	Capital Reserve		Revenue Reserve			Non-controlling interest	Total
			Share Premium	Statutory reserve	Translation Reserve	Revaluation reserve on available for sale investments	Accumulated Profit		
(Rupees '000)									
Balance as at January 01, 2022 - audited	12,912,529	-	1,632,729	2,352,571	4,055,119	(517,348)	8,115,887	4,380,785	32,932,272
<b>Total comprehensive income</b>									
Profit for the period after taxation	-	-	-	-	-	-	3,194,833	6,565	3,201,398
Other comprehensive loss for the period	-	-	-	-	223,667	(570,027)	-	-	(346,360)
Total comprehensive income for the period	-	-	-	-	223,667	(570,027)	3,194,833	6,565	2,855,038
Transfer to statutory reserve	-	-	-	131,155	-	-	(131,155)	-	-
Cash injection by NCI of FFL	-	-	-	-	-	-	-	(811)	(811)
NCI Acquisition	-	-	-	-	-	-	(414,292)	414,292	-
<b>Balance as at March 31, 2022</b>	<b>12,912,529</b>	<b>-</b>	<b>1,632,729</b>	<b>2,483,726</b>	<b>4,278,786</b>	<b>(1,087,375)</b>	<b>10,765,273</b>	<b>4,800,831</b>	<b>35,786,499</b>
Balance as at January 01, 2023 - audited	12,912,529	-	1,632,729	2,855,162	5,317,939	(1,179,693)	14,810,495	7,167,343	43,516,504
<b>Total comprehensive loss</b>									
Loss for the period after taxation	-	-	-	-	-	-	(4,854,881)	220,721	(4,634,160)
Other comprehensive income for the period	-	-	-	-	403,926	(382,214)	-	-	21,712
Total comprehensive loss for the period	-	-	-	-	403,926	(382,214)	(4,854,881)	220,721	(4,612,448)
Transfer to statutory reserve	-	-	-	88,997	-	-	(88,997)	-	-
Cash injection by NCI of FFL	-	-	-	-	-	-	-	4,650,000	4,650,000
Transaction cost	-	-	-	-	-	-	-	(5,425)	(5,425)
Advance against equity reclassified to loan	-	-	-	-	-	-	-	(2,000,000)	(2,000,000)
NCI loss on acquisition (note 4.2)	-	-	-	-	-	-	1,920,246	(1,920,246)	-
<b>Balance as at March 31, 2023</b>	<b>12,912,529</b>	<b>-</b>	<b>1,632,729</b>	<b>2,944,159</b>	<b>5,721,865</b>	<b>(1,561,907)</b>	<b>11,786,863</b>	<b>8,112,393</b>	<b>41,548,631</b>

The annexed notes, from 1 to 22, form an integral part of these condensed interim consolidated financial statements.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR




CHIEF FINANCIAL OFFICER

**CONDENSED INTERIM CONSOLIDATED STATEMENT OF CASH FLOWS (UN-AUDITED)**  
FOR THE PERIOD ENDED MARCH 31, 2023

	Note	Quarter ended March 31,	
		2023	2022
		(Rupees '000)	
<b>CASH FLOWS FROM OPERATING ACTIVITIES</b>			
Cash used in operations	18	(11,122,795)	(16,681,383)
Income tax paid		(1,000,550)	(1,693,041)
Finance cost paid		(3,411,140)	(1,281,788)
Payment to Gratuity Fund		(311,075)	(24,202)
Compensated absences paid		(10,101)	(17,816)
Payment to Workers Welfare Fund		(2,677)	-
Payment to Workers' (Profit) Participation Fund		(383,342)	(138,801)
Net cash used in operating activities		(16,241,680)	(19,837,031)
<b>CASH FLOWS FROM INVESTING ACTIVITIES</b>			
Fixed capital expenditures and advances		(710,355)	(79,319)
Sale proceeds of property, plant and equipment		1,999	5,567
Investment at fair value through profit or loss - net		9,384,870	(590,976)
Profit received on bank balances and term deposits		870,836	821,112
Net cash generated from investing activities		9,547,350	156,384
<b>CASH FLOWS FROM FINANCING ACTIVITIES</b>			
Long term loans received		4,350,000	-
Long term loans paid		(7,867,714)	(1,532,905)
Issue of shares - net of transaction costs		4,636,524	-
Finance lease liability		218,668	(22,384)
Dividend paid for prior periods		(652)	(93)
Net cash generated from / (used) in financing activities		1,336,826	(1,555,382)
<b>NET DECREASE IN CASH AND CASH EQUIVALENTS</b>		<b>(5,357,504)</b>	<b>(21,236,029)</b>
<b>CASH AND CASH EQUIVALENTS AT THE BEGINNING OF THE PERIOD</b>		<b>(4,643,054)</b>	<b>28,458,375</b>
<b>CASH AND CASH EQUIVALENTS AT THE END OF THE PERIOD</b>		<b>(10,000,558)</b>	<b>7,222,346</b>
<b>CASH AND CASH EQUIVALENTS</b>			
Cash and cash equivalents included in the condensed interim consolidated statement of cash flows comprise the following condensed interim consolidated statement of financial position amounts:			
- Cash and bank balances		16,273,879	21,991,324
- Short term highly liquid investments	13	1,503,000	1,500,000
- Short-term running finance		(27,777,437)	(16,268,978)
		(10,000,558)	7,222,346

The annexed notes, from 1 to 22, form an integral part of these condensed interim consolidated financial statements.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2023**

**1 THE GROUP AND ITS OPERATIONS**

Fauji Fertilizer Bin Qasim Limited is a public limited company incorporated in Pakistan under the Companies Ordinance, 1984 (now replaced by the Companies Act, 2017 with effect from May 31, 2017). The shares of the Company are quoted on Pakistan Stock Exchange (PSX). The registered office of FFBL is situated at FFBL Tower, C1/C2, Sector B, Jinnah Boulevard, DHA Phase II, Islamabad, Pakistan. The principal objective of FFBL is manufacturing, purchasing and marketing of fertilizers. FFBL commenced its commercial production effective January 01, 2000.

**1.1 Fauji Fertilizer Bin Qasim Limited group comprises of Fauji Fertilizer Bin Qasim Limited (FFBL / the Holding Company) and its subsidiaries, Fauji Meat Limited (FML), FFBL Power Company Limited (FPCL) and Fauji Foods Limited (FFL) collectively referred as ("Group").**

Fauji Meat Limited is a public limited company incorporated on September 05, 2013 in Pakistan under the Companies Ordinance, 1984 (now replaced by the Companies Act, 2017 with effect from May 31, 2017). The principal objectives of FML are to establish a meat abattoir unit for halal slaughtering of animals to obtain meat for local and export sale purposes.

FFBL Power Company Limited is a public limited company incorporated on June 27, 2014 in Pakistan under the Companies Ordinance, 1984 (now replaced by the Companies Act, 2017 with effect from May 31, 2017). The principal activity is generation and supply of electricity and all other forms of energy.

Fauji Foods Limited (FFL) was incorporated in Pakistan on September 26, 1966 as a public company and its shares are quoted on PSX. It is principally engaged in processing and sale of toned milk, milk powder, fruit juices, allied dairy and food products.

**2 BASIS OF PREPARATION**

These condensed interim consolidated financial statements have been prepared in accordance with the accounting and reporting standards as applicable in Pakistan for interim financial reporting. The accounting and reporting standards as applicable in Pakistan for interim financial reporting comprise of:

- International Accounting Standard (IAS) 34, - Interim Financial Reporting, issued by the International Accounting Standards Board (IASB) as notified under the Companies Act, 2017; and

- Provisions of and directives issued under the Companies Act, 2017.

Where the provisions of and directives issued under the Companies Act, 2017 differ with the requirements of IAS 34, the provision of and directives issued under the Companies Act, 2017 have been followed.

The disclosures in these condensed interim consolidated financial statements do not include the information reported for full annual consolidated financial statements and should therefore be read in conjunction with the consolidated financial statements for the year ended December 31, 2022. The comparative Consolidated Statement of Financial Position is extracted from the annual consolidated financial statements, as of December 31, 2022, whereas the Consolidated Statement of Profit or Loss and the Consolidated Statement of Other Comprehensive Income, the Consolidated Statement of Cash Flows and the Consolidated Statement of Changes in Equity are extracted from the unaudited condensed interim consolidated financial statements, for the period ended March 31, 2022.

These condensed interim consolidated financial statements are unaudited and are being submitted to the members, as required under Section 237 of the Companies Act, 2017, and the Listed Companies (Code of Corporate Governance) Regulations, 2019.

**3 ACCOUNTING POLICIES**

The accounting policies and methods of computation adopted for the preparation of these condensed interim consolidated financial statements are similar to those applied in the preparation of the consolidated financial statements for the preceding year, ended December 31, 2022.

**4 SHARE CAPITAL**

**4.1 Group consists of following subsidiary companies:**

	Note	Ownership in 2023	Ownership in 2022
Fauji Meat Limited		95.07%	95.07%
FFBL Power Company Limited		75.00%	75.00%
Fauji Foods Limited	4.2	59.75%	71.63%

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2023**

The condensed interim financial statements of subsidiary companies have been consolidated on line by line basis. The carrying value of investments held by the Holding Company is eliminated against the subsidiaries' share capital and pre-acquisition reserves. All material intercompany balances and transactions have been eliminated.

**4.2** During the period, pursuant to the approval and authorization of Board of Directors of FFL, in their meeting held on September 20, 2022, issued shares by way of other than right offer under Section 83 (1) (b) of the Companies Act, 2017 read with regulation 5 of the Companies Regulations, 2020 (Further Issue of Shares) amounting to 935,874,980 at the rate of Rs. 10 at par after obtaining all regulatory approvals in the following manner:

- i. 400,000,000 shares at par PKR 10/- share amounting to PKR 4,000,000,000 to FFBL Power Company Limited (FPCL) against cash.
- ii. 465,000,000 shares at par PKR 10/- share amounting to PKR 4,650,000,000 to FFC Energy Limited (FFCEL) against cash.
- iii. 70,874,980 shares at par PKR 10/- share, to Holding Company against conversion of accrued markup on subordinated loan amounting to PKR 708,749,800 to equity.

This resulted in a gain attributable to the Holding Company of Rs. 1,920,246 thousand.

		<b>March 31, 2023</b>	<b>December 31, 2022</b>
	<b>Note</b>	<b>(Un - audited)</b>	<b>(Audited)</b>
<b>(Rupees '000)</b>			
<b>5</b>	<b>LONG TERM LOANS</b>		
	Loans from banking companies-secured	<b>5.1 &amp; 5.2</b> <b>39,530,705</b>	41,048,419
	Less: Current portion shown under current liabilities	<b>8,478,524</b>	8,131,459
		<b>31,052,181</b>	<b>32,916,960</b>

**5.1** During the period, FPCL entered into syndicate long term finance facilities under commercial facility of Rs. 3,250 million and musharika facility of Rs. 750 million, at a mark-up rate of 3 months KIBOR plus 0.5% per annum. The loans are repayable in 20 quarterly instalments and the mark-up will be payable on quarterly basis. The loans are secured by way of charge on all current fixed assets (other than those encumbered in favour of working capital lenders) and mortgage of land and buildings.

FPCL signed amendment to the existing commercial finance facility and Musharaka facility agreements effective January 01, 2023, reducing the markup rate to 3 months KIBOR plus 0.75% per annum. The loan was originally priced at a mark-up rate of 3 months KIBOR plus 1.75% per annum. All other terms & conditions of the loans remained same.

**5.2** During the period, FFL paid all mark up based syndicate finance facility amounting to Rs. 5,988 million. Further, FFL reclassified interest free loan from advance against equity to long-term loans amounting to Rs. 2,000 million.

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)**  
FOR THE PERIOD ENDED MARCH 31, 2023

		March 31, 2023 (Un - audited)	December 31, 2022 (Audited)
		(Rupees '000)	
<b>6</b>	<b>DEFERRED LIABILITIES</b>		
	Compensated leave absences	699,872	681,512
	Deferred taxation	5,267,833	5,231,463
	Payable against GIDC	1,893,255	3,126,489
		<u>7,860,960</u>	<u>9,039,464</u>
<b>6.1</b>	<b>DEFERRED TAXATION - NET</b>		
	<b>The balance of deferred tax is in respect of the following major taxable / (deductible) temporary differences:</b>		
	Accelerated depreciation	3,262,369	3,302,688
	Share of profit of joint venture and associates - net	2,312,793	2,291,998
	Share of profit of subsidiary	1,807,029	1,651,287
	Remeasurement gain on GIDC	142,953	196,620
	Provision for inventory obsolescence	(95,491)	(95,491)
	Provision for doubtful other receivables	(445,814)	(445,814)
	Deferred tax on revaluation of available for sale investments	(286,613)	(219,160)
	Provision against allowance	(365,401)	(365,401)
	Unabsorbed losses, tax credits and others	(1,063,992)	(1,085,264)
		<u>5,267,833</u>	<u>5,231,463</u>
<b>6.2</b>	<b>Payable against GIDC</b>		
	Opening balance	21,738,026	20,846,828
	Unwinding of GIDC	162,632	891,198
		<u>21,900,658</u>	<u>21,738,026</u>
	Current portion of GIDC	(20,007,403)	(18,611,537)
	Closing balance	1,893,255	3,126,489

On September 22, 2020, the Holding Company obtained stay from the Honorable Sindh High Court against payment of GIDC.

		March 31, 2023 (Un - audited)	December 31, 2022 (Audited)
		(Rupees '000)	
<b>7</b>	<b>TRADE AND OTHER PAYABLES</b>		
	Creditors	10,346,526	34,709,136
	Payable against GIDC	20,007,403	18,611,537
	Accrued liabilities	8,667,633	9,651,167
	Workers' (Profit) Participation Fund	55,243	381,095
	Workers' Welfare Fund	1,117,772	1,116,240
	Payable to Gratuity Fund	55,205	334,858
	Payable to Provident Fund	24,815	21,021
	Security deposits	93,141	98,136
	Withholding tax payable	300,693	220,058
	Sales tax payable	11,580	12,067
	Other payables	116,965	99,151
		<u>40,796,976</u>	<u>65,254,466</u>



**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)**  
**FOR THE PERIOD ENDED MARCH 31, 2023**

**7.1** Creditors include payables to a related party amounting to Rs. 6,147 million (December 31, 2022: Rs. 29,293 million) against purchase of raw material.

	<b>March 31, 2023</b>	<b>December 31, 2022</b>
	<b>(Un - audited)</b>	<b>(Audited)</b>
	<b>(Rupees '000)</b>	
<b>8 CONTINGENCIES AND COMMITMENTS</b>		
<b>Contingencies</b>		
i) Guarantees issued by banks on behalf of FFBL	<b>100,224</b>	154,123
ii) Group's share of contingent liabilities of Askari Bank Limited as at December 31, 2022 (September 30, 2022)	<b>67,935,621</b>	66,475,281
iii) Contingent liabilities of FML	-	365,188
iv) Contingent liabilities of FFL	<b>3,002,436</b>	645,316
<b>Commitments</b>		
i) Capital expenditures - FFBL	<b>193,058</b>	286,867
ii) Letters of credit - FFBL	<b>11,671,522</b>	15,332,081
iii) Group's share of commitments of PMP as at December 31, 2022 (September 30, 2022)	<b>94,771</b>	92,521
iv) Group's share of commitments of Askari Bank Limited as at December 31, 2022 (September 30, 2022)	<b>102,157,815</b>	115,729,672
v) Commitments of FPCL		
-Capital expenditure	<b>189,690</b>	61,714
-Outstanding against Letter of Credits out of total facility of Rs. 11,050 million (2022: Rs. 11,250 million), secured by lien on valid import documents	<b>2,290,000</b>	3,038,750
vi) Commitments of FFL	<b>6,730</b>	66,500
<b>9 PROPERTY, PLANT AND EQUIPMENT</b>		
Opening written down value	<b>46,114,274</b>	47,848,922
Additions during the period / year	<b>617,970</b>	1,186,210
Termination of lease	-	(22,219)
Disposals during the period / year	<b>(5,854)</b>	(99,852)
Depreciation during the period / year	<b>(696,957)</b>	(2,877,287)
Depreciation charged on disposals during the period / year	<b>3,699</b>	78,500
Closing written down value	<b>46,033,132</b>	46,114,274

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2023

	March 31, 2023 (Un - audited)	December 31, 2022 (Audited)
<b>(Rupees '000)</b>		
<b>10 LONG TERM INVESTMENTS</b>		
<b>Investment in joint venture - equity method</b>		
Pakistan Maroc Phosphore S.A, Morocco		
Opening balance	12,247,699	8,949,117
Share of (loss) / profit	(576,538)	4,785,015
Dividend	-	(2,511,075)
Effect of translation	489,000	1,024,642
Closing balance	12,160,161	12,247,699
<b>Investment in associate - equity method</b>		
Askari Bank Limited		
Opening balance	13,925,756	11,518,925
Share of profit	715,172	2,947,882
Revaluation reserve of available for sale investments	(449,661)	(779,229)
Effect of translation	(85,074)	238,178
Closing balance	14,106,193	13,925,756
<b>Investment - available for sale - unquoted</b>		
Arabian Sea Country Club Limited (ASCCL)		
300,000 ordinary shares of Rs. 10 each	3,000	3,000
Less: Impairment in value of investment	3,000	3,000
	-	-
	<b>26,266,354</b>	<b>26,173,455</b>

- 10.1** During the period, AKBL in its annual general meeting approved bonus shares at 15%, increasing the paid-up capital of the bank to 1,449,299,207 shares. These bonus shares shall rank pari passu in all respects with the existing ordinary shares of the bank. Accordingly, number of shares held by the Holding Company will be increased from 271,884,009 shares to 312,666,610 shares. Issue of bonus shares resulted in no change in percentage holding (21.57%).

Further, IFRS 9 "Financial Instruments" is effective for periods beginning on or after 1 January 2023 for banking companies. AKBL will adopt with modified retrospective approach for restatement. In accordance with IFRS 9, AKBL will not restate comparative information with respect to impairment changes. Any differences in the carrying amounts of financial assets and financial liabilities consequent to the adoption of IFRS 9 will be recognised in retained earnings and reserves as at 1 January 2023. The total estimated adjustment (net of tax) of the adoption of IFRS 9 on the opening balance of AKBL's equity at 1 January 2023 is approximately Rs. 2.9 billion (FFBL's share: Rs. 626 million).

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)**  
FOR THE PERIOD ENDED MARCH 31, 2023

**11 STOCK-IN-TRADE**

This includes finished goods stock amounting to Rs. 19,626 million (December 31, 2022: Rs. 31,877 million) and raw material in transit amounting to Rs. 3,156 million (December 31, 2022: Rs. 2.27 million).

**12 OTHER RECEIVABLES**

**12.1** This includes an amount of Rs. 3,764 million (December 31, 2022: Rs. 1,357 million) receivable from Fauji Fertilizer Company Limited (FFCL), a related party, on account of amounts received from customers, against sales of the Holding Company's products under an inter-company services agreement.

		March 31, 2023	December 31, 2022
	Note	(Un - audited)	(Audited)
(Rupees '000)			
<b>13 SHORT TERM INVESTMENTS</b>			
<b>Amortized cost</b>			
Term deposits with banks and financial institutions	13.1	1,503,000	970,000
<b>Investments at fair value through profit or loss</b>			
Mutual funds		4,380,621	13,764,259
		<u>5,883,621</u>	<u>14,734,259</u>

**13.1** These deposits carry interest at rates ranging from 14.5% to 20.5% (2022: 15.8%) per annum maturing on various dates.

		Quarter ended March 31,	
		2023	2022
(Rupees '000)			
<b>14 SALES - NET</b>			
Gross sales		41,296,693	30,587,151
Less:			
Sales tax		1,156,341	1,398,003
Trade discount		275,951	122,790
Advance tax u/s 235		118,456	107,889
Commission to FFC	14.1	4,309	4,622
		<u>1,555,057</u>	<u>1,633,304</u>
		<u>39,741,636</u>	<u>28,953,847</u>

**14.1** It represents commission paid by the Holding Company at the rate of Re.1 per bag to Fauji Fertilizer Company Limited, based on an inter-company services agreement.

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2023

		Quarter ended March 31,	
		2023	2022
		(Rupees '000)	
<b>15</b>	<b>COST OF SALES</b>		
	Raw materials consumed	15,853,268	33,050,237
	Packing materials consumed	791,508	747,422
	Fuel and power	1,215,263	436,737
	Ash dumping	2,735	1,757
	Stores and supplies consumed	209,249	120,853
	Salaries, wages and benefits	884,915	845,529
	Repairs and maintenance	1,038,057	322,217
	Travel and conveyance	81,898	57,465
	Rent, rates and taxes	13,956	12,327
	Insurance	125,230	77,329
	Utilities	97,308	43,063
	Provision for obsolete stores & spares	-	7,500
	Communication, establishment and other expenses	146,337	76,238
	Depreciation and amortization	648,793	643,684
	Opening stock - work in process	297,490	160,307
	Closing stock - work in process	(190,598)	(119,885)
	Cost of goods manufactured	21,215,409	36,482,780
	Opening stock - finished goods	32,960,947	424,212
	Closing stock - finished goods	(19,572,112)	(14,898,635)
		<b>34,604,244</b>	<b>22,008,357</b>
<b>16</b>	<b>OTHER INCOME</b>		
	<i>Share of profit / (loss) from joint venture and associate</i>		
	Pakistan Maroc Phosphore S.A	(576,538)	1,249,628
	Askari Bank Limited	715,172	627,579
		<b>138,634</b>	<b>1,877,207</b>
	Profit on bank balances and term deposits	574,221	587,579
	Cash dividend / income on mutual funds	285,493	196,929
	Scrap sale and other receipts	36,586	47,953
	Miscellaneous income	17,837	23,287
		<b>914,137</b>	<b>855,748</b>
		<b>1,052,771</b>	<b>2,732,955</b>
<b>17</b>	<b>TAXATION - NET</b>		
	Current tax	554,255	1,085,595
	Deferred tax	110,826	265,613
		<b>665,081</b>	<b>1,351,208</b>

NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2023

	Quarter ended March 31,	
	2023	2022
	(Rupees '000)	
<b>18 CASH USED IN OPERATIONS</b>		
(Loss) / Profit before taxation	(3,996,016)	4,552,606
<b>Adjustment for non-cash charges and other items:</b>		
Provision for gratuity	31,422	25,456
Exchange loss	4,859,626	577,672
Provision for compensated absences	28,461	16,021
Provision for Workers' (Profit) Participation Fund	54,813	172,323
Provision for Workers' Welfare Fund	1,532	70,444
Unwinding of GIDC	162,632	257,942
Amortization of transaction cost of long-term finance	7,582	8,595
Transaction Cost	8,051	2,041
Depreciation	696,957	692,524
Amortization	4,415	4,160
Provision for obsolete stores & spares	-	7,500
Lease charges	8,863	6,622
Finance cost	3,365,501	1,386,593
Income on bank balances, term deposits and mutual funds	(859,714)	(784,508)
Profit from joint venture and associates - net	(138,634)	(1,877,207)
Loss on disposal of property, plant and equipment	156	1,230
<b>Operating profit before working capital changes</b>	<b>4,235,647</b>	<b>5,120,014</b>
<b>Changes in working capital:</b>		
Stores and spares	(34,788)	(92,869)
Stock-in-trade	12,855,499	(16,851,607)
Trade debts	5,844,996	(3,432,404)
Advances	(235,451)	(190,131)
Trade deposits and short term prepayments	102,733	23,719
Other receivables	(3,823,973)	990,448
Sales tax receivable	(248,889)	(1,817,232)
Trade and other payables	(30,113,896)	3,128,937
Advances from customers	295,327	(3,560,258)
	<b>(15,358,442)</b>	<b>(21,801,397)</b>
Cash used in operations	<b>(11,122,795)</b>	<b>(16,681,383)</b>

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)**  
FOR THE PERIOD ENDED MARCH 31, 2023

**19 RELATED PARTY TRANSACTIONS**

Fauji Fertilizer Company Limited (FFCL) has 49.88% share holding in FFBL (2022: 49.88%), while Fauji Foundation (FF) holds 18.29% shares (2022: 18.29%) in the Holding Company. The Group has related parties which comprise of a joint venture, entities under common directorship, directors, key management personnel and employees' funds. Transactions with related parties and the balances outstanding at the period end are given below. The carrying value of investment in associates and joint venture are disclosed in note 10 to the condensed interim consolidated financial statements.

	<b>Quarter ended March 31,</b>	
	<b>2023</b>	<b>2022</b>
	<b>(Rupees '000)</b>	
<b>Transactions with Fauji Foundation (FF)</b>		
Services received	25,597	22,356
Services provided	97	-
Payment against services	38,108	25,363
Advance against equity	-	2,000,000 *
Advance against equity reclassified as long term loan	2,000,000	-
Long term loan received	350,000	- *
Balance payable at period end	22,500	46,221 *
<b>Transactions with associated undertakings due to common directorship</b>		
<b>Fauji Fertilizer Company Limited</b>		
Services and material acquired	261,869	248,296
Receipts under consignment account	36,159,398	18,831,861
Commission charged	4,309	4,622
<b>Askari Bank Limited</b>		
Balances at Bank and TDR	7,976,749	4,475,919 *
Profit on bank balances	304,240	220,100
Long term loans	-	479,877 *
Mark-up on long term loans	13,178	5,355
Mark-up payable on long term loans	-	11,172 *
Income earned from TDRs	21,081	-
Finance cost charged	23,529	18,088
Running Finance	500,000	271,804 *
<b>Transactions with joint venture</b>		
Purchase of raw materials	6,971,883	26,858,526
Expenses incurred on behalf of joint venture	-	802
Balance payable	6,147,428	29,292,878 *
Balance receivable - unsecured	13,141	13,141 *

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)  
FOR THE PERIOD ENDED MARCH 31, 2023**

	Quarter ended March 31,	
	2023	2022
	(Rupees '000)	
<b>Other related parties</b>		
Contribution to Provident Fund	41,065	37,210
Payment to Gratuity Fund	311,075	24,202
Payment to Workers' (Profit) Participation Fund	383,342	138,801
Meeting fee to directors	6,360	9,475
Balance payable to WPPF - unsecured	55,243	381,095 *
Payable to Gratuity Fund	55,205	334,858 *
Payable to Provident Fund	24,815	21,021 *
Receivable from Fauji Cereals	5,829	5,828 *
Noon Sugar Mills for purchase of sugar	-	3,423
Remuneration of key management personnel		
Short-term benefits	202,580	172,015
Post employment benefits	18,756	8,726

\* Balance of accounts appearing as comparatives are as at December 31, 2022 (audited).

**20 SEGMENT REPORTING**

A business segment is a group of assets and operations engaged in providing products that are subject to risk and returns that are different from those of other business segments.

	Fertilizer	Power	Meat	Food	Elimination-net	Consolidated
	(Rupees' 000)					
<b>March 31, 2023</b>						
<b>Revenue</b>	<b>31,522,701</b>	<b>6,936,921</b>	<b>115,991</b>	<b>5,169,069</b>	<b>(4,003,046)</b>	<b>39,741,636</b>
External Customer	31,522,701	2,933,875	115,991	5,169,069	-	39,741,636
Inter-Segment	-	4,003,046	-	-	(4,003,046)	-
Total Revenue	31,522,701	6,936,921	115,991	5,169,069	(4,003,046)	39,741,636
<b>(Loss) / Profit after tax</b>	<b>(5,429,213)</b>	<b>1,038,278</b>	<b>(68,055)</b>	<b>(141,179)</b>	<b>(33,991)</b>	<b>(4,634,160)</b>
<b>March 31, 2022</b>						
Revenue	24,783,967	5,515,204	60,353	2,402,997	(3,808,674)	28,953,847
External Customer	24,783,967	1,706,530	60,353	2,402,997	-	28,953,847
Inter-Segment	-	3,808,674	-	-	(3,808,674)	-
Total Revenue	24,783,967	5,515,204	60,353	2,402,997	(3,808,674)	28,953,847
Profit / (loss) after tax	1,626,863	642,819	(280,121)	(446,327)	1,658,164	3,201,398
<b>March 31, 2023</b>						
<b>Assets</b>	<b>117,517,353</b>	<b>42,314,947</b>	<b>6,381,905</b>	<b>14,303,286</b>	<b>(12,993,441)</b>	<b>167,524,050</b>
<b>Liabilities</b>	<b>100,224,201</b>	<b>21,680,588</b>	<b>222,560</b>	<b>5,211,432</b>	<b>(1,363,362)</b>	<b>125,975,419</b>
<b>December 31, 2022</b>						
Assets	149,862,745	41,839,240	6,415,068	12,703,658	(12,177,106)	198,643,605
Liabilities	127,140,380	22,243,159	187,693	10,107,134	(4,551,265)	155,127,101

**NOTES TO THE CONDENSED INTERIM CONSOLIDATED FINANCIAL STATEMENTS (UN-AUDITED)**  
FOR THE PERIOD ENDED MARCH 31, 2023

**21 FINANCIAL RISK MANAGEMENT AND FINANCIAL INSTRUMENTS**

**21.1 Financial risk factors**

The group's activities expose it to a variety of financial risk including market risk (currency risk, interest rate risk and other price risk), credit risk and liquidity risk.

There have been no changes in the risk management policies during the period, consequently these condensed interim consolidated financial statements do not include all the financial risk management information and disclosures required in the annual consolidated financial statements.

**21.2 Fair Value estimation**

The table below analyzes financial instruments carried at fair value by valuation method. The different levels have been defined as follows:

- Quoted prices (unadjusted) in active markets for identical assets or liabilities (Level 1)

- Inputs other than quoted prices included within level 1 that are observable for the asset or liability, either directly (i.e. as prices) or indirectly (i.e. derived from prices level 2)

- Inputs for the asset or liability that are not based on observable market data (level 3)

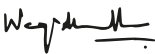
	Level 1	Level 2	Level 3
	(Rupees' 000)		
<b>March 2023 - un-audited</b>			
<b>ASSETS</b>			
Financial assets at fair value through profit or loss			
- Short term investments	4,380,621	-	-
<b>December 2022 - audited</b>			
<b>ASSETS</b>			
Financial assets at fair value through profit or loss			
- Short term investments	13,764,259	-	-

**22 GENERAL**

22.1 Figures have been rounded off to the nearest thousand rupees.

22.2 Corresponding figures have been re-arranged / reclassified, where necessary, for more appropriate presentation of transactions and events, for purpose of comparison. Reclassification consists of Rs. 577,672 thousands presented separately as exchange loss on Profit or Loss statement in the comparative period.

22.3 These condensed interim consolidated financial statements were authorized for issue on April 26, 2023 by the Board of Directors of the Holding Company.



CHAIRMAN



CHIEF EXECUTIVE



DIRECTOR



CHIEF FINANCIAL OFFICER











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